

Does the age at which children start school make a difference?

A number of journalists and academics have pondered how, if at all, the age at which children start school affects their lives. Not surprisingly, evidence suggests that many parents have posed this same question when thinking about their own children. In a March 2008 National Bureau of Economic Research (NBER) working paper entitled “Too Young to Leave the Nest? The Effects of School Starting Age,” economists Sandra E. Black, Paul J. Devereux, and Kjell G. Salvanes analyze data from Norway and break new ground in answering this question.

Various studies have concluded that, on the whole, children who are older perform slightly better on exams than younger children who are in the same year in school. In the NBER analysis, however, the authors compare students of the same age by using data from an IQ test given in Norway for people around age 18. It appears that, overall, people who start school earlier perform better on the test. In other words, when studies compare students who are in the same year in school, those students who start school at an older age tend to get higher scores; however, in studies comparing students of the same age, those who start school at a younger age tend to perform better.

When young workers of the same age are compared with each other, those who start school at a younger age usually have slightly higher earnings as young adults. This is most likely because those who start school early tend to finish school early, so, as young adults, they have slightly more work experience than most of their peers. However, the gap in earnings decreases over time and eventually

disappears around age 30.

Black and her coauthors also study the impact of school starting age on teen pregnancy. They find that girls who start school at a younger age are slightly more likely to get pregnant when they are teenagers. One of the main causes of this phenomenon appears to be that those who start school at an early age end up having an older peer group than they otherwise would. Despite the greater likelihood of teen pregnancy, girls who start school at a younger age are also less likely to get pregnant before they finish their first 12 years of school, because they finish at a younger age. The paper concludes that, on the basis of the evidence seen so far, there are no strong reasons for parents to time the births of their children in order to make them young or old for their class.

Contributing factors in rising world food prices

In the past 2 years, world market food prices have increased rapidly—as much as 60 percent for basic food commodities such as grains and vegetable oils. The rise in food prices has caused great concern, especially for the poor, who suffer the greatest hardship due to the increase. Many point to the corresponding rise in oil prices over the last several years as a leading factor. In a recent report from the U.S. Department of Agriculture’s Economic Research Service (“Global Agricultural Supply and Demand: Factors Contributing to the recent rise in Food Commodity Prices”), economist Ronald Trostle examines the issue and finds some interesting results.

To provide perspective, the study begins by establishing some basic facts. For example, the author presents a chart showing three price indexes—for crude oil, for all commodities, and for food commodi-

ties—from 1992 to the present. As recently as 1999, the three indexes were at about the same level. Since then, however, the indexes for oil and for all commodities have risen even faster than the index for food. As the author points out, when viewed in light of the even more rapid increase in prices for other commodities, the rise in food prices does not seem quite so severe. Still, because lower income consumers around the world suffer more immediate hardship when food prices increase, the issue is extremely sensitive, politically and socially.

Trostle explains that several “long-term, slowly evolving trends have affected the global supply and demand” for food (and hence, food prices). For example, global production of grains and oilseeds increased 2.2 percent per year between 1970 and 1990. But world production of these food commodities has slowed since then, dropping to an annual growth rate of 1.3 percent. Recent developments—such as increased global demand for biofuels feedstocks, adverse weather conditions in 2006 and 2007, increased costs of agricultural production, the declining value of the dollar, and rising energy prices—have exacerbated the situation and pushed prices even higher. As a result, “stocks of grains and oilseeds in the world have fallen to levels that make the global aggregate stock-to-use ratio” for these food commodities the lowest it has been since 1970.

We are interested in your feedback on this column. Please let us know what you have found most interesting and what essential readings we may have missed. Write to Executive Editor, *Monthly Labor Review*, Bureau of Labor Statistics, Washington, DC 20212, or e-mail, mlr@bls.gov.